

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BELGRA 04382 291818Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /056 W  
-----128822 292134Z /72

R 291510Z JUN 77  
FM AMEMBASSY BELGRADE  
TO SECSTATE WASHDC 1258  
INFO USDOC WASHDC  
AMCONSUL ZAGREB

LIMITED OFFICIAL USE BELGRADE 4382

E.O. 11652: N/A  
TAGS: ECON, YO  
SUBJECT: YUGOSLAV POLICY ON SUPERGUARANTEE FOR EXIM CREDITS

DEPARTMENT PASS EXIMBANK FOR ALBRIGHT

1. AT A HURRIEDLY CALLED MEETING AT THE FINANCE SECRETARIAT, ASSISTANT SECRETARY MIODRAG STOJILJKOVIC EXPRESSED TO DCM AND ECON/COMM OFFICER GOY'S DEEP CONCERN OVER IMPASSE IN RELATIONS WITH EXIMBANK STEMMING FROM UNSETTLED ISSUE OF SUPERGUARANTEE. STOJILJKOVIC SAID THAT IT IS TIME FOR EXIM TO FACE UP TO "NEW REALITY" IN YUGOSLAVIA'S FOREIGN CREDIT RELATIONS. HE REITERATED GOY POSITION THAT IT IS NO LONGER ACCEPTABLE TO SINCLE OUT ONE COUNTRY FOR SPECIAL CONCESSIONS WITH REGARD TO CREDIT GUARANTEES.

2. STOJILJKOVIC NOTED THAT RECENT OFFERS OF EXIM CREDIT TO YUGOSLAV ENTERPRISES WITH TOTAL FINANCIAL CHARGES OF UP TO 10.25 PERCENT WERE NOT ONLY UNCOMPETITIVE BUT ALSO VIEWED AS ATTEMPT TO LEVY PENALTY CHARGE FOR GOY RELUCTANCE TO PROVIDE SUPERGUARANTEE. BRITISH AND FRENCH EXPORT CREDIT AGENCIES RECENTLY OFFERED FINANCING WITH INTEREST RATES OF 7.25 TO 7.50 PERCENT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BELGRA 04382 291818Z

3. STOJILJKOVIC SAID THAT WHILE GOY'S OPPOSITION TO SUPERGUARANTEE CONTINUES, NATIONAL BANK WOULD BE PROVIDING SUPERGUARANTEE FOR EXIM CREDITS FOR EXPANSION PROJECT AT BORIS KIDRIC STEEL MILL IN NIKSIC SINCE IT WAS INITIATED BEFORE CHANGE IN POLICY.

4. DCM THEN REVIEWED STATE OF PLAY ON SUPERGUARANTEE, POINTING OUT THAT DURING BELGRADE MEETINGS WITH ALBRIGHT, HAD BEEN AGREED THAT PRELIMINARY TALKS BETWEEN EXIM AND FINANCE MINISTRY SOULD BEGIN ASAP. EXIM HAD UNDERTAKEN TO PREPARE AN AGENDA FOR SUCH A MEETING. THE DRAFT AGENDA HAD BEEN SUBMITTED SEVERAL MONTHS AGO, BUT AS YET WE HAD NO RESPONSE. IT WAS UNFORTUNATE THAT DURING HIS APRIL VISIT TO WASHINGTON, FINANCE MINISTER CEMOVIC HAD SO HEAVY A SCHEDULE THAT IT HAD NOT BEEN POSSIBLE TO DISCUSS PROBLEM WITH EXIM.

5. STOJILJKOVIC EMPHASIZED THAT GOY IS INTERESTED IN ENTERING INTO A DIALOGUE WITH EXIM AS SOON AS POSSIBLE TO BRING ABOUT A SPEEDY RESOLUTION OF THE GUARANTEE PROBLEM. HE COMMENTED THAT ONE OF THE REASONS CEMOVIC DID NOT WISH TO MEET WITH EXIM ON THIS ISSUE DURING HIS APRIL VISIT TO WASHINGTON WAS BECAUSE EXIM'S SUGGESTED AGENDA DID NOT SHOW RECOGNITION OF NEW REALITY IN YUGOSLAV FOREIGN CREDIT RELATIONS AND THEREFORE WAS UNACCEPTABLE. STOJILJKOVIC WENT ON TO SAY THAT HE PERSONALLY WOULD BE AVAILABLE IN BELGRADE UNTIL AUGUST 1 TO PARTICIPATE IN EXCHANGE OF VIEWS ON SUPERGUARANTEE.

6. COMMENTS: WHILE STOJILJKOVIC MADE NO EXCUSES FOR GOY'S LACK OF RESPONSE TO PREVIOUS EXIM REQUESTS FOR DISCUSSIONS AND MADE IT CLEAR THAT HE BELIEVED U.S. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BELGRA 04382 291818Z

SUPPLIERS WOULD BE HURT MOST BY DELAYS IN RESOLUTION OF SUPERGUARANTEE PROBLEM, INITIATIVE IN CALLING MEETING MAY BE SIGNAL THAT GOY WANTS TO MOVE FORWARD ON ISSUE. EMBASSY RECOMMENDS THAT EXIM SEND HIGH-LEVEL DELEGATION IN JULY TO HOLD FORMAL DISCUSSIONS WITH STOJILJKOVIC AND OTHER APPROPRIATE OFFICIALS.  
EAGLBURGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, CREDIT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BELGRA04382  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770232-1031  
**Format:** TEL  
**From:** BELGRADE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977069/aaaaahhd.tel  
**Line Count:** 102  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 139db784-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 11-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2273290  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** YUGOSLAV POLICY ON SUPERGUARANTEE FOR EXIM CREDITS DEPARTMENT PASS EXIMBANK FOR ALBRIGHT  
**TAGS:** ECON, YO  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/139db784-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009